

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

DOT-00 INR-11 NSAE-00 RSC-01 FAA-00 L-03 JUSE-00

SS-20 NSC-07 TAR-02 DRC-01 PRS-01 PA-04 USIA-15 /111 W

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R 011711Z AUG 74

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 1295

UNCLAS PARIS 18644

E.O. 11652: N/A

TAGS: ETRD, OECD

SUBJECT: ANTITRUST INVESTIGATION OF CERTAIN FOREIGN
AIR CARRIERS

REF: (A) PARIS 16740; (B) STATE 141971;

(C) STATE 136709; (D) PARIS 17506;

(E) STATE 157625; (F) PARIS 17883

1. AMEMBASSY RECEIVED JULY 31 AIDE MEMOIRE FROM
MINISTRY OF FOREIGN AFFAIRS (MFA) CONCERNING GRAND
JURY INVESTIGATION IN ALLEGED PRICE FIXING BY TWO US
AND FOUR EUROPEAN CARRIERS FOLLOWING AN IATA MEETING
IN GENEVA DEC. 1972.

2. AIDE MEMOIRE RELATES THE ACTIONS OF THE JUSTICE
DEPARTMENT AND SERVING OF SUBPOENAS TO TWO AIR
FRANCE OFFICIALS CONTRARY TO ASSURANCES GIVEN BY
EMBASSY PARIS AND STATE TO MFA AND FRENCH EMBASSY
WASHINGTON RESPECTIVELY ONLY TWO DAYS EARLIER.

3. AIDE MEMOIRE GOES ON TO SAY THAT FRENCH
AUTHORITIES SURPRISED AT ACTION OF JUSTICE OVER A 2
YEAR-OLD CASE AND THIS 24 HOURS AFTER RECEIVING FROM
AMERICAN AUTHORITIES PROMISE FOR A DIFFERENT LINE
OF ACTION. FRENCH AUTHORITIES NOTE THAT INITIATIVE
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TAKEN BY THE AMERICAN AUTHORITIES GOES CONTRARY TO

STIPULATIONS OF RECOMMENDATION C.67.53, PARA. 1A,
OCTOBER 1967 OF OECD COUNCIL TO WHICH EMBASSY REFERS
IN ITS AIDE MEMOIRE TO MFA.

4. FURTHERMORE, FRENCH AUTHORITIES EXPRESS SURPRISE
AT THE FACTS HELD AGAINST AIR FRANCE. AMERICAN
AUTHORITIES KNOW THAT IN ACCORDANCE WITH SECTION V
OF ANNEX TO AGREEMENT BETWEEN FRANCE AND U.S.
RELATIVE TO AIR SERVICE BETWEEN BOTH COUNTRIES,
DATED MARCH 27, 1974, AGREEMENTS ON TARIFFS ARE
USUALLY REACHED WITHIN IATA AFTER EXTENSIVE CONSULTATIONS.
THESE TARIFFS ARE THEN SUBMITTED TO CAB
AND THE SECRETARIAT GENERAL OF CIVIL AVIATION FOR
APPROVAL. TO THAT EFFECT, AIR FRANCE REPRESENTATIVES
RECEIVED INSTRUCTIONS IN DEC. 1972 FROM THEIR AUTHORI-
TIES TO TRY TO REACH AGREEMENT ON TARIFFS. SUCH
AGREEMENT WAS HOWEVER NOT REACHED AT EITHER IATA
GENERAL MEETING IN MONTREUX, OR IN SUBSEQUENT SMALLER
MEETINGS, SUCH AS THE ONE IN GENEVA WHICH IS CITED.

5. FOR THESE REASONS AND BECAUSE FRENCH AUTHORITIES
WANT TO CLARIFY THE ACTS, THEY WOULD BE WILLING
HAVE REPRESENTATIVES OF AIR FRANCE TESTIFY ON VOLUN-
TARY BASIS AND UNOFFICIALLY, AS THE AMERICAN EMBASSY
HAD REQUESTED IN ITS AIDE MEMOIRE OF JUNE 26, PROVIDED
THAT THE SUBPOENAS SERVED JUNE 27 CONTRARY TO THE
ASSURANCES GIVEN THE DAY BEFORE, BE CONSIDERED
VOID.

6. PLEASE ADVISE SUGGESTED REPLY TO BE MADE
TO MFA. AID MEMOIRE TO BE AIRGRAMMED TOMORROW.
STONE

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